

TRANSPORTATION

Department of Transportation Headquarters Organization and Staffing Assessment

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<p>1. The department has 95 to 100 positions involving excess layers of management, excessively narrow spans of control, overlapping functions, and unnecessary functions.</p>	<ul style="list-style-type: none"> ▪ The 95 to 100 positions involving one-to-one relationships, narrow spans of control, overlapping functions, and unnecessary functions should be eliminated. 	<ul style="list-style-type: none"> ▪ The potential annual savings would be \$2.9 to \$3.0 million. The financial savings over a 10-year period would be \$27.4 million. 	<p>1.6</p>
<p>2. There are misplaced organizational units within DOT.</p>	<ul style="list-style-type: none"> ▪ The Internal Audit Section, Beautification Program, and the Charlotte IRP Office should report through a revised organization structure to eliminate fragmentation and improve program effectiveness. 	<ul style="list-style-type: none"> ▪ Improves DOT's overall effectiveness by moving these units closer to their actual area of responsibility and accountability. 	<p>1.9</p>

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<p>1. Preconstruction has received 555 additional positions or 97 percent of its originally projected staffing need since the Highway Trust Fund (HTF) program began.</p>	<ul style="list-style-type: none"> ▪ Additional preconstruction staffing needs of NCDOT should be met by increased use of outside contract forces. 	<ul style="list-style-type: none"> ▪ The Department will be able to avoid the public sector problems of staffing up and down for varying work loads. ▪ The increased use of outside contractors will enable the Department to adjust its preconstruction and construction activities to match the changing HTF program work load. 	2.3
<p>2. Construction has received 146 additional positions or 19 percent of the originally projected staffing need since the HTF program began.</p> <p>3. NCDOT's preconstruction units are currently seeking to add 298 more staff to address the HTF work load.</p>	<ul style="list-style-type: none"> ▪ Additional construction staffing needs of NCDOT's HTF program should in part be met by an increasing proportion of outside contract forces. 	<ul style="list-style-type: none"> ▪ Private engineering firms will become more familiar with the preconstruction and construction requirements of NCDOT, which will improve the quality of their products and the efficiency of their efforts. 	2.4

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Division Organization and Staffing Assessment

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. NCDOT's 14 divisions are appropriate for the large scope of the Department's road system responsibilities.	<ul style="list-style-type: none"> NCDOT should retain the 14-division structure of its field forces. 	<ul style="list-style-type: none"> The 14-division structure of NCDOT field forces is a reasonable arrangement for ensuring proper management oversight and public accessibility, given the large size of the Department's road and bridge system. 	3.7
2. Excessive management layers exist between the Division Engineer position and the county maintenance workers.	<ul style="list-style-type: none"> The "district" layer of management within the Division Highway Maintenance sections should be eliminated. 	<ul style="list-style-type: none"> This would eliminate approximately 117 positions across the 14 divisions and increase the span of control of the Division Maintenance Engineer position. The maintenance support staff associated with the district's offices should be consolidated under the Division Maintenance Engineer. 	3.7
3. The Division Equipment Operations Supervisor position represents a redundant layer of management.	<ul style="list-style-type: none"> The Department should eliminate the Division Equipment Operations Supervisor positions in each of the 14 divisions. 	<ul style="list-style-type: none"> A reasonable span of control will be maintained for the Division Equipment Superintendent position, while eliminating the need for 14 positions. 	3.9
4. The Department operates separate division and county garages in the same geographic areas.	<ul style="list-style-type: none"> The Department should consolidate the Equipment section resources associated with the 14 division garages and those 14 NCDOT county garages located nearby. 	<ul style="list-style-type: none"> Fourteen NCDOT county garages statewide can be closed or consolidated. 	3.8

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Division Organization and Staffing Assessment

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
5. Equipment maintenance is an integral part of the field support activities of the Department.	<ul style="list-style-type: none"> NCDOT should retain control over its non-sedan equipment maintenance functions. 	<ul style="list-style-type: none"> Maintaining control at NCDOT will ensure timely, responsive vehicle maintenance service to its maintenance, operations, and construction field forces. 	3.8
6. Division Traffic Services units lack adequate management focus on signal-related activities.	<ul style="list-style-type: none"> Signal-related activities and staff resources should be assigned to the Division Assistant Traffic Engineer, while the pavement marking and signs personnel should continue to report to the Traffic Services Supervisor. 	<ul style="list-style-type: none"> This will provide for a more balanced distribution of Traffic Services staff among the Traffic Services supervisors. 	3.9
7. Potential reductions in division-based staff due to these recommendations will be from 129 to 168 positions.	<ul style="list-style-type: none"> Eliminate 129 to 168 positions. 	<ul style="list-style-type: none"> Eliminating 129 to 168 positions will produce potential savings of \$4 to \$6 million. The financial savings over a 10-year period would be from \$40 to \$60 million. 	3.9

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Division Maintenance Staffing and Use of Contract Services Assessment

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<p>1. The Department's maintenance program has grown, in constant 1992 dollars, by about 15 percent since 1981. In the same period, NCDOT maintenance staffing has gone down by 7 percent.</p>	<ul style="list-style-type: none"> ▪ The Department should maintain its current maintenance staffing and accomplish the increased maintenance program work load through expanded use of outside contract forces. 	<ul style="list-style-type: none"> ▪ The annual maintenance program will be accomplished more efficiently. ▪ In-house maintenance staff can concentrate on backlogged and expanding maintenance needs. 	4.12
<p>2. Most of the maintenance program growth has occurred in the Secondary Road Construction program.</p> <p>3. Most Division construction work is performed by outside contractor forces.</p> <p>4. Half of the Secondary Road Construction program is performed by in-house Division maintenance forces.</p>	<ul style="list-style-type: none"> ▪ NCDOT should contract out all of the Secondary Road Construction program. 	<ul style="list-style-type: none"> ▪ Competition among private contractors can result in lower costs and increased service levels. Implementation is dependent on the existence of a competitive contractor environment. 	4.13

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Division Maintenance Staffing and Use of Contract Services Assessment

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<p>5. Most routine maintenance and operations activities continue to be performed by in-house Division forces.</p> <p>6. NCDOT's in-house maintenance staff is adequate, provided more outside contract resources are used to address unmet maintenance needs.</p>	<ul style="list-style-type: none"> ▪ NCDOT should expand its use of municipal agreements to address growing urban operations needs. 	<ul style="list-style-type: none"> ▪ Operational responsibility will be closer to the group most impacted by the function while potentially relieving NCDOT of part of the associated costs. 	<p>4.13</p>



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Highway Trust Fund Investment Strategies

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. Significant progress has been made in paving unpaved secondary roads.	<ul style="list-style-type: none"> The HTF program should be further adjusted to eliminate the requirement to pave all unpaved secondary roads with traffic volume of between 50 and 100 cars per day. <i>(This recommendation was not endorsed by GPAC.)</i> 	<ul style="list-style-type: none"> This will reduce the cost of the Secondary Roads Construction portion of the HTF by \$357 million, and reduce the miles of unpaved roads to be repaved by about 6,000 miles. 	5.8
2. State budget constraints have resulted in growing deferred maintenance of the State's highway system.	<ul style="list-style-type: none"> The General Assembly should increase highway maintenance funding by \$80 million annually to address the State's maintenance backlog and its growing maintenance needs. 	<ul style="list-style-type: none"> This will prevent future shortfalls in highway maintenance funding and prevent premature deterioration of the State's roadway system which can ultimately cost the State \$120 million per year in higher costs by the end of the HTF program. 	5.8
3. Existing funding sources are inadequate to meet current and future highway maintenance needs.	<ul style="list-style-type: none"> The General Assembly should authorize a comprehensive transportation financing study. 	<ul style="list-style-type: none"> This will ensure that designated revenue sources are properly used to support transportation program priorities in a comprehensive and equitable fashion. 	5.8
4. Failure to adequately address NCDOT's growing maintenance backlog will result in premature roadway surface failures, resulting in billions of dollars in unnecessary future road replacement costs.	<ul style="list-style-type: none"> The General Assembly should periodically reassess the justification for and financial feasibility of the Highway Trust Fund Program. 	<ul style="list-style-type: none"> This will enable the State to adjust the HTF program based on changing financial conditions and highway program priorities. 	5.8

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Privatization of DMV's State-operated Vehicle Registration Offices

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. It costs approximately \$2.26 more to process a transaction in a state-run office than in a contract office.	<ul style="list-style-type: none"> State-operated vehicle registration offices in Raleigh and Charlotte should be privatized to reduce costs and improve productivity. 	<ul style="list-style-type: none"> Staff can be reduced by 41 positions over 5 years. Privatizing the Raleigh and Charlotte offices will result in an estimated savings of \$11.9 million over 10 years. Transactions may be processed more quickly through privatization. 	6.3
2. The Department of Transportation has a modernization plan that calls for the development of automated systems that other states are now completing.	<ul style="list-style-type: none"> DMV should enhance its automated vehicle registration system and encourage significantly greater use of mail-in registrations and other innovative programs to improve efficiency. 	<ul style="list-style-type: none"> Reduces the need for 126 vehicle registration offices. 	6.7

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<ol style="list-style-type: none"> DMV has an excessive number of Driver License field offices. Many Driver License field offices have work loads, as measured by applications processed, that are well below the average for DMV. 	<ul style="list-style-type: none"> DMV should close approximately 64 field offices and increase productivity by 10 percent over the next 3 years. Reduce 76 positions from offices whose applications processed per person-day are below average. 	<ul style="list-style-type: none"> The closing of field offices would eliminate 76 positions with a realized annual savings of \$2.3 million. The closing of the least productive field offices and the staff reductions would increase the average applications processed per person day from 24 to 27. 	7.6

HEALTH AND HUMAN SERVICES

State Mental Health Facilities

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<ol style="list-style-type: none"> 1. From 600 to 2,000 patients in the State's mental health hospitals can be treated in the community. 2. The occupancy rate for private mental health hospital beds in North Carolina is 56 percent. 	<ul style="list-style-type: none"> ▪ The General Assembly should expand community-based services and downsize residential services by implementing a single stream of funding for mental health. ▪ Provide technical assistance to the area programs to prepare them for a single stream of funding system ▪ Expand the single portal of entry system to include all mental health institutions and area programs across the State ▪ Transfer \$3.7 million annually from the State mental hospital budget to the area program budget to purchase community-based services. ▪ The General Assembly should request a plan from the Governor to replace the State's four mental health hospitals with four smaller and more efficient hospitals to accommodate the downsizing in the mental health institutions. 	<ul style="list-style-type: none"> ▪ Improves service by treating clients in the least restrictive environment. ▪ Expands the array of service delivery options for the mentally ill. ▪ Reduces inpatient care staff by 2,000 positions over 10 years. ▪ Saves \$97.4 million over the next 10 years. 	1.10

HEALTH AND HUMAN SERVICES

Developmental Disabilities Services

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. North Carolina Mental Retardation Centers (MRC) continue to admit people with developmental disabilities who can be served in community programs.	<ul style="list-style-type: none"> ▪ The General Assembly should establish a policy to increase the use of community-based programs to serve the developmentally disabled, and to downsize State-operated MRCs. ▪ The General Assembly should request a plan from the Governor to reduce the total number of people served in State MRCs by 500 people over the next 2 years and 100 persons per year afterward. 	<ul style="list-style-type: none"> ▪ Improves service by treating clients in the least restrictive environment. ▪ Reduces inpatient care staff by about 1,100 positions over 10 years. 	2.8
<p>2. There is an inherent financial incentive to maintain State-operated MRCs at or near the current level.</p> <p>3. North Carolina does not use its Medicaid Home and Community-based Waiver, resulting in a proliferation of the Intermediate Care Facility for the Mentally Retarded (ICF/MR) program.</p>	<ul style="list-style-type: none"> ▪ The General Assembly should fund family support programs to prevent out-of-home care for persons with developmental disabilities. ▪ The Department of Human Resources should forward its applications for an expanded Medicaid Home and Community-based Waiver as soon as possible. 	<ul style="list-style-type: none"> ▪ Reduces the number of clients being served in costly, long-term residential facilities. ▪ Reduces the probability of costly litigation. 	2.9

HEALTH AND HUMAN SERVICES

Developmental Disabilities Services

	RECOMMENDATIONS	RESULTS	REPORT PAGE
4. North Carolina does not have a comprehensive needs assessment for its citizens with developmental disabilities.	<ul style="list-style-type: none"> ▪ The Department of Human Resources should develop a comprehensive assessment of needs (both service specific and program) for all persons with developmental disabilities. 	<ul style="list-style-type: none"> ▪ Ensures implementation of the recommendation to provide appropriate community-based services. 	2.11
5. Private sector providers are not regulated adequately in the areas of cost controls, movement and placement of individuals, and quality assurance.	<ul style="list-style-type: none"> ▪ The General Assembly should establish comprehensive policies to develop reasonable standards for rates and payments for privately operated ICF/MR group homes. 	<ul style="list-style-type: none"> ▪ Saves \$45.6 million over the next 10 years. 	2.12

HEALTH AND HUMAN SERVICES

Alcohol and Drug Abuse Treatment Centers

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<ol style="list-style-type: none"> 1. Clients must wait six weeks to receive treatment in North Carolina's Alcohol and Drug Abuse Treatment Centers (ADATC). 2. In North Carolina, the cost/bed for residential alcohol and drug treatment is high compared with other states. 3. Residential treatment services are not distributed equitably throughout North Carolina. 	<ul style="list-style-type: none"> ▪ The General Assembly should transfer the current ADATC budget to the 41 area programs based on service needs and give area programs the option of purchasing residential treatment from State facilities. 	<ul style="list-style-type: none"> ▪ Decreases treatment wait time in the State's ADATC. ▪ Saves \$24.7 million in the General Fund over the next 10 years. ▪ Achieves a more equitable distribution of services throughout the State. 	3.9

HEALTH AND HUMAN SERVICES

Schools for Deaf Children

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<ol style="list-style-type: none"> 1. North Carolina has excess capacity in its schools for the deaf. 2. North Carolina public schools serve almost three times the number of deaf children as do the schools for the deaf. 	<ul style="list-style-type: none"> ▪ The General Assembly should fund services for deaf children in two rather than three schools/residential facilities. <i>(GPAC did not fully endorse this recommendation but voted to have the General Assembly review the funding for the School for the Deaf to determine if it is appropriate and if it is, how many and where the schools should be located.)</i> 	<ul style="list-style-type: none"> ▪ Reduces 31 administrative, maintenance, and other non-program staff from the residential and day school program. ▪ Achieves savings of \$900,000 for the first year and a cumulative savings of \$8.5 million over a 10-year period. 	4.6

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<ol style="list-style-type: none"> 1. The State operates a dual child support enforcement system. 2. The DHR child support enforcement program offers more than the Clerk of Court program. 3. The State is not achieving maximum reimbursement from the federal government. 	<ul style="list-style-type: none"> ▪ The General Assembly should enact legislation to restructure the child support enforcement program: ▪ Establish a child support enforcement and oversight commission to oversee the transition to a restructured service delivery system ▪ Stabilize the DHR child support program as the single point of entry into the State's child support enforcement programs ▪ Require the development and enforcement of program standards at the State and local level ▪ Maintain collection and disbursement of child support payments in the Administrative Office of the Courts (AOC) ▪ Transfer the remaining enforcement functions from the AOC to DHR 	<ul style="list-style-type: none"> ▪ Achieves maximum reimbursement from the Federal government for administration expenses associated with non IV-D cases. ▪ Saves \$66.8 million over the next 10 years. 	5.9

HEALTH AND HUMAN SERVICES

DHR Organization and Staffing

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. 20 positions in the Secretary's Office have one-to-one reporting relationships and/or excessively narrow spans of control.	<ul style="list-style-type: none"> The 20 positions identified should be eliminated. 	<ul style="list-style-type: none"> Removes excess positions, increases span of control, and improves efficiency in the Secretary's Office. Saves \$600,000 annually. 	6.4
2. The Secretary's Office includes an unnecessary layer of management.	<ul style="list-style-type: none"> Eliminate the positions of the Assistant Secretaries for Budget and Management, Administration and Liaison Services, and the Division of Aging. 	<ul style="list-style-type: none"> Removes excessive layers of management. Saves \$89,000 annually. 	6.5
3. Several program functions in the Secretary's Office should be located at the program division level.	<ul style="list-style-type: none"> Decentralize program functions located in the Secretary's Office: <ul style="list-style-type: none"> Fifty positions would be relocated out of the Secretary's Office Eight staff positions would be eliminated 	<ul style="list-style-type: none"> Decentralizes program functions to the division level program. Saves \$240,000 annually. 	6.6
4. The department has 38 FTE positions throughout the program divisions involving excess layers of management, excessively narrow spans of control, overlapping functions, and unnecessary functions.	<ul style="list-style-type: none"> Eliminate 38 positions in the program divisions. 	<ul style="list-style-type: none"> Removes excess layers of management, excessively narrow spans of control, overlapping functions, and unnecessary positions. Saves \$1.15 million annually. 	6.9

HEALTH AND HUMAN SERVICES

DHR Organization and Staffing

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
<p>5. Some organizational units are misplaced within DHR.</p>	<ul style="list-style-type: none"> ▪ The new organizational units per the other recommendations should report through the suggested revised organizational structures. 	<ul style="list-style-type: none"> ▪ Eliminates fragmentation and improves program effectiveness. 	<p style="text-align: center;">6.10</p>

HEALTH AND HUMAN SERVICES

Public Health Programs

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE
1. Several State public health programs are not located in Department of Environment, Health, and Natural Resources (DEHNR).	<ul style="list-style-type: none"> North Carolina should continue to provide public health services through DEHNR and reexamine organizational questions after two years. <i>(This recommendation was not endorsed by GPAC.)</i> 	<ul style="list-style-type: none"> Allows the State and counties to adjust to the 1989 reorganization of Public Health into DEHNR. Avoids disruption in service and other costs associated with reorganization. 	7.12
2. Local county health departments are satisfied with the location of public health programs in DEHNR.	<ul style="list-style-type: none"> DEHNR should study the feasibility of streamlining the regional organizational structure for public health programs. 	<ul style="list-style-type: none"> Could reduce the budget through a more efficient allocation of staff in the regional offices. 	7.12
3. The regional office staffing structure may not be appropriate for the needs of local health departments.			7.12